

\$9bn Blackstone Portfolio Company prices market benchmark A\$1.25 billion RMBS issuance

Global and domestic investors show strong support for La Trobe Financial Australia's \$9 billion AUM diversified wealth manager and Blackstone portfolio company, La Trobe Financial, has announced pricing for its benchmark A\$1.25bn RMBS issuance.

The size and strength of the issuance positions La Trobe Financial as a clear leader in mortgage credit markets for institutional investors, complementing its retail wealth management AUM of \$4.1 billion across 40,000 investors in Australia and globally.

Thursday 10 October 2019 - Blackstone Portfolio Company, La Trobe Financial, announces pricing for its latest Residential Mortgage Backed Securities (RMBS) issue – 2019-2.

The strength of support by investors for La Trobe Financial, a \$9 billion diversified wealth manager, was evident in strong levels of over-subscription across all notes, as well as excellent pricing outcomes. These came despite recent market volatility and high levels of market supply. Notably, La Trobe Financial saw continued growth in support from global investment houses in Asia, including Japan, the US and Europe, reflecting the depth of positive investor sentiment both to La Trobe Financial's investment program and the Australian credit and RMBS markets more generally.

Martin Barry, La Trobe Financial's Chief Treasurer & Strategy Officer commented that, "we are very pleased to have priced this transaction following a successful international and Australian roadshow. We welcome 3 new investors to our already 46 investor-strong RMBS program and are delighted by the strong interest we have received on this transaction both offshore and domestically as we build on our diverse investor base. We remain good stewards of other people's capital and this enables us to obtain and maintain the trust of our clients – this is the real asset of the company."

Barry further stated that "with this RMBS transaction we achieved competitive pricing notwithstanding increased levels of market supply and note participation from fifteen domestic and seven international investors from Europe, USA and Asia, including Japan."

The \$9 billion AUM La Trobe Financial has issued \$4.92 billion of RMBS to a range of Australian and international investors. This RMBS program has seen both continued support from repeat investors and a progressively widening investor base with each transaction. Both reflect well on the diversity and resilience of La Trobe Financial's funding base, which includes institutional mandates and Australia's largest Credit Fund representing the most diversified funding base in the non-bank sector.

Richard Parry, Head of Group Portfolio Management stated that "the pricing and level of over-subscription with total bid received at \$2.140 b (1.7 times over-subscribed) with 32 accounts actively bidding. reflects a strong endorsement of La Trobe Financial's high quality assets, expertise and long, consistent track record. With current loan originations now topping \$10+ billion per year, this was a practical step to complement current institutional mandates and our nationally and internationally awarded \$4.1 billion retail Credit Fund. We have built a disciplined investment strategy and continue to deliver outstanding returns for all of our investors."

The Lead Arranger of the deal was National Australia Bank, while Joint Lead Managers included the Commonwealth Bank of Australia, The Hongkong and Shanghai Banking Corporation, Macquarie Bank, Natixis, United Overseas Bank and Westpac.

La Trobe Financial will pay 75 basis points over the Bank Bill Swap Rate (BBSW) on \$209 million of A1S notes, which have a weighted average life of 0.40 years.

Pricing on \$666 million of A1L notes, which have a weighted average life of 2.80 years, was 135 basis points over BBSW.

Pricing on \$160 million of A2S notes, which have a weighted average life of 1.40 years was 165 basis points over BBSW.

Pricing on \$75 million of A2L notes, with a weighted average life of 4.00 years was 185 basis points over BBSW. Pricing on B to F notes ranged from 2.20% to 7.00%.

La Trobe Financial will be making further announcements shortly.

About La Trobe Financial With A\$9 billion of Assets Under Management (AUM), La Trobe Financial is Australia's diversified wealth manager. La Trobe Financial provide funding and investment solutions to a diverse range of 140,000 customers and have done so since 1952. La Trobe Financial is 80% owned by Blackstone, the world's largest alternative asset manager with over US\$545 billion of AUM worldwide. We are a proven and trusted investment partner for institutional and retail investors alike, operating Australia's largest retail Credit Fund (\$4.1bn AUM and 40,000 retail investors). We have over 67 years' experience, managing investment mandates in excess of \$22.76 billion since commencement.

La Trobe Financial has been a leading innovator in the wealth management and lending industry sector for many years including, pioneering "Lite Doc®" lending in Australia in 1990, creating the first private Reverse Mortgage (Seniors Loan™) in 2003, launching the first hybrid wealth management-loan product P2C® (Parent-to-Child) to assist first home buyers in 2013, introducing a unique to market Aged Care finance solution in 2015, and being one of the first lenders to introduce a fully digital KYC and AML checking of borrower applicants for brokers in 2017.

La Trobe Financial is regulated by the Australian Securities & Investments Commission (ASIC) and holds the requisite regulatory AFSL and ACL

licences to operate its business of wealth management, raising funding and lending for residential and commercial security purposes, and placing global Residential Mortgage Backed Securities (RMBS). For further details please visit our website www.latrobefinancial.com.

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